



# USAID | UKRAINE

FROM THE AMERICAN PEOPLE

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TO: All USAID Contractors in Ukraine, Belarus and Moldova

FROM: Jonathan Chappell, Office Director, Regional Contracts Office

SUBJECT: USAID Contractor Salary Threshold (USAID CST)

The USAID CST is the threshold beyond which approval of the Director, M/OAA is required for contractor's salaries.

The USAID CST policy applies to those types of contracts in which the actual salary of the individual is considered in establishing the price or the fixed labor rate for services.

Per USAID Automatic Directive System (ADS) 302.3.6.10, the USAID CST is equivalent to the maximum rate for Federal agencies without a certified SES performance appraisal system, as published by the Office of Personnel Management, which is updated every year and can be found at <http://www.opm.gov/oca>.

For estimating purposes, non-personal services contract rates must be established on an hourly basis and calculated based on 2080 hours/year, the number used by many private sector entities.

Please be reminded that an increase in the maximum annual rate for USAID CST will not, by itself, be the basis for salary increases of contractor employees. Revisions to salaries should only be considered in light of changes to the scope of work or in accordance with other contract terms. Salary increases should not be granted without corresponding increases in the quality or quantity of services rendered.

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